



for Retirees

Montana Public Employee Retirement Administration

January 2004



2004

A Message From the Executive Director

by Mike O'Connor

The investment climate in recent years has resulted in a nationwide concern over the funded status of public retirement plans. The retirement plans administered by the Public Employees' Retirement Board are no different. It is not unusual for a retirement plan's funding level to fluctuate. In the late 1970's we had a large unfunded liability. In 2000 we were over funded, which is why we were able to increase the Guaranteed Annual Benefit Adjustment (GABA) to 3%.

The Public Employees' Retirement Board's funding objective is to meet long-term benefit obligations through investment income and contributions. Accordingly, the collection of employer and member contributions, and the income from investments, provide the reserves needed to finance future retirement benefits. Since investment earnings are critical to the defined benefit plans' funding, the market decline and associated investment losses

have deteriorated the plans funding. The next valuation of the plans will be July 1, 2004. That valuation will take into account the recent investment losses for fiscal years 2001 and 2002. It will also take into account the investment income for fiscal years 2003 and 2004.

History bears out that declining markets do recover, as we can currently see happening. We continue to maintain a long-term investment strategy. By diversifying holdings the plans are positioned to ensure that members receive the financial security they have earned.

I can assure you that your retirement benefits are 100% guaranteed. Payment of retirement benefits is not in danger. The retirement plans administered by the Public Employees' Retirement Board have enough assets to meet benefit obligations as they come due. The retirement benefit you receive monthly from the MPERA is secure.

This annual newsletter provides information for retired members of the following retirement systems administered by the Montana Public Employees' Retirement Board (PERB):

- Public Employees' (PERS)
- Highway Patrol Officers' (HPORS)
- Game Wardens' and Peace Officers' (GWPORS)
- Firefighters' Unified (FURS)
- Judges' (JRS)
- Sheriffs' (SRS)
- Municipal Police Officers' (MPORS)
- Volunteer Firefighters' Compensation Act (VFCA)

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*Should any information in
this newsletter conflict with
statute or rules, the statute or
rules will apply.*

Working After Retirement

Many retirees go back to work because they miss having a job, or they want extra income. If you worked or are currently working for a private company or a public employer not affiliated with the Montana Public Employee Retirement Administration (MPERA), there are no limitations on the amount of time you may work. Your retirement benefit will not be affected, except for some disability retirees.

You may wish to work on a part-time basis after retirement. If you return to PERS-covered employment, you **must** report the hours you have worked and the gross wages earned to the MPERA each month. You may work up to **960 hours** in any calendar year. If you exceed the 960 hours limit, your monthly retirement benefit will be **reduced \$1 for each \$1 earned**.

However, a retiree 65 years of age or older is subject to either the 960 hour limitation or may earn (in any calendar year) an amount that, when added to the retirees' annual retirement benefit, will not exceed the member's annual final average salary (adjusted for inflation each January 1st) whichever provides the greater earnings, prior to becoming subject to the monthly benefit reduction. The above limitations do not apply to members over 70 ½ years of age. **There must be a 30-day break in service before returning to PERS-covered employment.**

A retiree employed in a PERS covered position for more than 960 hours in a calendar year may request to be reinstated to active membership and retirement benefits will terminate until you retire again.

As a retiree from the Sheriff's Retirement System (SRS), you may work on a part-time basis for a SRS member agency, up to **480 hours** in any calendar year. You may earn no more than **\$5,000.00** in a calendar year.

Should you earn more than \$5,000.00 in a calendar year in SRS covered employment, your retirement benefit will be **reduced \$1.00 for each \$3.00 in excess of the \$5,000.00 limit**.

There must be a 30-day break in service before returning to SRS employment.

A retired Sheriff employed in a SRS covered position for more than 480 hours in a calendar year will be reinstated to active membership and retirement benefits terminated until you retire again.

The agency with whom a retiree works and the retiree must report to the MPERA the hours worked and the amount earned while employed. See your payroll clerk for the form and reporting requirements.

Remember, no deductions are required if you work for any employer that is not a member of our retirement system.



MPERA has Moved!

To more efficiently serve our members, the MPERA staff is now occupying the second floor in our present building at 100 North Park Avenue, Helena, MT. When you visit our offices you will find visitor parking on the west side, near the building. Enter the building through the west entrance (level one) and you will find our elevator access just around the corner. You will see our reception area when the doors open on the second level.

Check out our web site:
<http://www.discoveringmontana.com/doa/perb/>

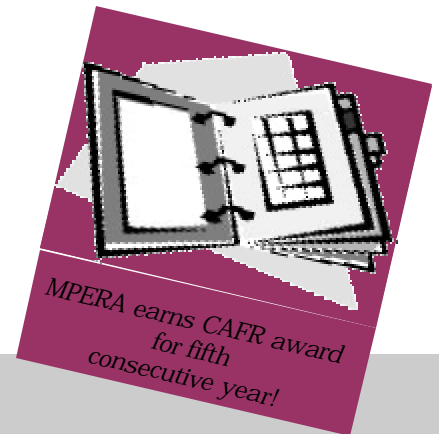


Certificate of Achievement for Excellence in Financial Reporting Received

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the Montana Public Employees' Retirement Board for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2003. The Montana Public Employees' Retirement Board has earned the GFOA award for five consecutive

years. The award is the highest form of recognition in the area of public employee retirement system accounting and financial reporting. The GFOA presented the award to **Roxanne Minnehan**, Fiscal Services Bureau Chief. The CAFR requires a lot of time, skill, attention to detail, and the dedication of **Barbara Quinn, Donna Bley** and **Linda Jensen**, accounting staff of the MPERA Fiscal Services Bureau. They strive to improve upon

the information provided each year. Attaining this award assures members that the MPERA produced a quality report.



Snowbirds

Is Your Address Information Current?

Many Montana retirees winter in other locations. Most have their mail forwarded while they are away. However, the mail the Montana Public Employee Retirement Administration (MPERA) sends out, such as retirement checks, change of benefit notices, 1099R's and newsletters will not get forwarded. This includes the "temporarily away" that you may have at your local post office. Your mail will come back to the MPERA office. You may ask, "Why does this happen?" It is our way of protecting your retirement checks and other sensitive information that pertains to your account. It is necessary, even if you are only gone for a few weeks, that you fill out a change of address form or inform us, **in writing**, of any temporary or new permanent address change. Be sure to include your signature to authorize the change. Remember to change your address back once you have returned home. You may use the form found on page 4 of this newsletter.

Have You Considered Direct Deposit?

Did you know that almost 74% of Montana retirees are currently using direct deposit as a way to receive their retirement benefit? With direct deposit, the money is in your account on the last working day of the month. Without direct deposit, your benefit is mailed on the last working day of the month and may take a few days to get to you. If you are enjoying your retirement as a traveler, direct deposit makes sense. However, you should still keep your address information current to receive other important documentation, such as your annual 1099R form. To sign up for direct deposit, you must obtain a Direct Deposit Agreement form from the MPERA office (See form on page 4). You and your bank must complete the form, **this form must be notarized**. A direct deposit form must be received prior to the 15th of the month to ensure your benefit is electronically deposited at the end of that month.

For your convenience . .

See page 4 for a request to make an address change and to obtain a Direct Deposit Agreement form.

I AM FILING THIS REQUEST WITH MPERA TO:

- (1) ☐ Change my address. (Complete current address and new address information below.)
 (2) ☐ Request a *Direct Deposit Agreement* form. (Complete address information only as it applies.)
 (3) ☐ Request a *Change of Beneficiary* form (Complete address information only as it applies.)

NAME*First**Middle or Maiden**Last***CURRENT ADDRESS***Mailing Address***Retirement Number****Social Security Number***City**State**Zip Code***Effective Date of New Address****NEW ADDRESS**

(if applicable)

*Mailing Address**Month/Day/Year**City**State**Zip Code***SIGNATURE (required)****DATE SIGNED****INSIDE THIS ISSUE**

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